

COMMITTEE ON FINANCE

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NEW FINANCE COMMITTEE REPORT FOCUSES ON DRUG COMPANY GRANTS FOR MEDICAL EDUCATION

Inquiry reveals educational grants as common business practice, but potential for abuse remains

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Republican Chuck Grassley (R-Iowa) today released results of a Committee inquiry into drug company grants to fund continuing education for medical providers. Baucus and Grassley launched their probe following allegations that drug companies were using educational grants for improper purposes, such as rewarding physicians for prescribing their drugs, influencing clinical practice guidelines and Medicaid formularies, or promoting drugs for uses that have not been approved by the FDA – an illegal practice called “off-label promotion.” Guidance on keeping education programs independent of drug company influence has been issued by numerous organizations, including the Accreditation Council for Continuing Medical Education (ACCME). The report includes information from ACCME suggesting that some purportedly independent educational programs may still be influenced too much by their pharmaceutical sponsors. It appears that ACCME’s oversight of accredited CME providers is insufficient to guarantee the required independence.

“American taxpayers spend billions of dollars every year on drug treatments for Medicare and Medicaid patients, and those scarce dollars need to be spent wisely. Medical education funded by drug companies has to be real education, not a soft sell designed to sway treatment decisions,” said Baucus. **“This report shows some separation between medical education and marketing efforts, but this process still isn’t clean enough. As long as drug companies’ medical education efforts can influence Medicare and Medicaid spending, the Finance Committee has to insist that there be more improvement.”**

“We need to make sure educational grants serve appropriate purposes,” said Grassley. **“I take seriously my obligation to the taxpayers to make sure dollars for Medicare and Medicaid are spent properly. I also take seriously my obligation to help make sure the 80 million beneficiaries of these programs receive appropriate care. What drugs doctors prescribe for patients, and what drugs federal health care dollars buy, should be made based on accurate scientific information and what is best for that particular patient, not on improper influence from any drug maker.”**

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The full Finance Committee report is online at <http://www.finance.senate.gov/press/Bpress/2007press/prb042507a.pdf> . The Committee contacted 23 drug manufacturers in the course of their investigation, and all 23 cooperated fully. Drug companies reported that they continue to fund educational grants as part of a broad business strategy to sell their products, but that they have set policies to distance educational grant funding from marketing. Committee staff concluded that the pharmaceutical industry has focused more on compliance with guidance for educational grants, but risks still exist for kickbacks, veiled advertising of drugs, efforts to bias clinical protocols, and off-label promotion.

Baucus and Grassley said today that the Committee will follow up on its findings with participating drug companies and with organizations that have issued guidelines for medical education grants, including the FDA, the Inspector General at the Department of Health and Human Services, the participating drug companies, and ACCME.

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